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HASC

OLL 85-1254
18 April 1985

MEMORANDUM FOR THE RECORD

SUBJECT: Joint Hearings Before House Armed Services (HASC)
Subcommittee on Seapower and Strategic and Critical
Materials, and Subcommittee on Investigations

1. Joint Hearings before two HASC Subcommittees were held on Thursday, 18 April 1985, at 10:00 a.m. in Room 2118 Rayburn House Office Building. The Chairmanship alternates between the Chairmen of the two Subcommittees, with today's hearings being chaired by Congressman Charles E. Bennett (D., FL).

2. The following Members were present:

Subcommittee on Seapower:

Honorable Charles E. Bennett (D., FL), Chairman
Honorable Roy Dyson (D., MD)
Honorable Thomas F. Hartnett, (R., SC)
Honorable Duncan Hunter (R., CA)
Honorable John R. Kasich (R., OH)
Honorable Melvin Price (D., IL)
Honorable Floyd Spence (R., SC)

Subcommittee on Investigations:

Honorable Bill Nichols (D., AL), Chairman
Honorable Beverly B. Byron (D., MD)
Honorable Larry J. Hopkins (R., KY)
Honorable Nicholas Mavroules (D., MA)

Other Committees Represented:

Honorable Herbert H. Bateman (R., VA)	Merchant Marine
Honorable William Carney (R., NY)	Merchant Marine & Science & Tech.
Honorable Lynn Martin (R., IL)	Budget & Public Wks.

A copy of the Witness List is attached along with copies of each of the prepared statements submitted for the record and available at the hearings.

3. Mr. Bennett temporarily gave up the chair to Mr. Nichols since Mr. Bennett was to be the first witness supporting his proposed legislation H.R. 272 "...which prohibits any former government employee who was personally and substantially involved in a procurement contract during his last three years of government employment from accepting, for a period of two years, any employment or compensation from a firm involved in that contract." Mr. Bennett read his prepared statement into the record and then responded to a number of questions by stating, inter alia, that he has been waiting since 1951 to come this close for his proposed legislation to be considered; that he was in favor of adding to his bill other agencies of the Federal Government and also Members of the Congress, as proposed in the bill submitted by Congresswoman Barbara Boxer. He was also agreeable to including consultants and lobbyists, as well as staff members of Senate and House Armed Services and Appropriations Committees. He felt many of the provisions in the Boxer bill could be put in H.R. 272, but that H.R. 1201 had not been officially referred to HASC, and that since his bill was more narrowly focused, it stood a better chance of passing.

4. Mr. Bennett then resumed the Chair, and Congresswoman Barbara Boxer (D., CA) was the second witness. Ms. Boxer read most of her prepared statement into the record and then responded to specific terminology contained in H.R. 1201, e.g., who determines what is a "conflict of interest"; what is the break-off point for who is considered a "lower echelon" employee; need to clarify "significant responsibility." She also testified that H.R. 1201 covers all government employees and, by implication, Members of Congress; that if an agency does not have an Inspector General, then the Attorney General would sign the disclosure statements required when reporting on former employees' new job situations.

5. Congresswoman Martin commented that the Boxer bill zeros in on Members of Congress who vote on military procurement bills, and Mr. Mavroules suggested it would be better to take Members out of the bill, since it was questionable what Members can or cannot do--perhaps a separate piece of legislation where Members of Congress would know where they stand in this kind of environment. He further stated that the Boxer bill would not stand a chance of passing with the inclusion of Members. (Congresswoman Boxer said she found Mr. Mavroules' comments "very destructive.") Congresswoman Byron spoke against the chilling effect of the Boxer bill, especially the comments on

including committee staffers since the committees need the expertise of staffers--perhaps there could be a middle ground that would take into consideration "people with expertise."

6. Before Dr. Richard D. DeLauer appeared as a witness, Ms. Diane Resor asked that she and Ms. Donna Martin, both with the Project on Military Procurement, be allowed to precede him since they were both required to go to another hearing in the next few minutes. The Chairman allowed Ms. Resor to make a few comments--which he then determined were not relevant to the hearing--and then asked them to return for the afternoon session. Neither returned.

7. Dr. Richard D. DeLauer, President of the Orion Group, Ltd., and a former senior DOD official well known to most Members present, did not have a prepared statement, but commented extensively on the constraints levied upon former military officers who worked on projects with defense contractors. He said a project could cost less because Army men are there and more so than if they were not there, and took strong exception to the Boxer bill. When asked to comment how the committee could get what it is after, Dr. DeLauer said that there are sufficient laws on the books now to effectively handle what the present legislation is attempting to cover, and it would only add another layer to the laws to be complied with. He then brought up the DIVAD case, which cost the USG billions of dollars, and blamed the entire fiasco on the HASC. (Not one of the Members dissented with his characterization of what happened to DIVAD as a result of HASC interference.)

8. Following the noon recess, the hearings resumed at 2:00 p.m., with only Congressmen Bennett, Nichols and Kasich in attendance. Mr. Bun Bray, Jr., Executive Director of the Federal Managers Association, and Mr. Dan Kearney, Vice President, American Federation of Government Employees, testified together and, at the request of Chairman Bennett, did not read their entire prepared statements, but were given five minutes each to summarize their views. Both men supported both bills and neither was asked any questions.

9. The next witness, Mr. Ompal Chahaun, an employee of the Office of Contract Management, Department of the Air Force, appeared on his own behalf and submitted a lengthy prepared statement for the record, in support of both bills. (At this point the hearings were recessed for about an hour so that Members could vote.). There were no questions following Mr. Chahaun's presentation.

10. The Honorable Chapman B. Cox, General Counsel, Department of Defense, summarized from his prepared statement and then responded to numerous queries. Although he is supportive of the intent of H.R. 272, he said he believed it would only add to the paperwork burden associated with the procurement process. Agencies would be required to maintain voluminous records to produce information required by the Office of Personnel Management, and government employees and officers throughout their careers would have to keep detailed records of all actions that could come within the scope of the proposed legislation. In sum, he stated his view that the legislation would introduce significant new impediments to talented persons considering government service, that current laws are adequate to deal with conflicts of interest, although substantial improvements could be made in enforcing the existing rules. He referred the Members to page 10 of his prepared statement which cites what DOD is doing to tighten controls concerning this problem and offered to work with the Committee in analyzing the impact of the various proposals and in making constructive suggestions for modification.



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Attachments:

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